
IMPROPER MEDICAID BENEFITS & QUALITY CONTROL

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**C. IMPROPER
PAYMENT
REPORT**

Form DOM-354, Improper Payment Report will be prepared by the Medicaid Regional Office to report instances of improperly paid Medicaid benefits. Prepare the form in accordance with the instructions for the form, including the following vital information:

- Which factor of eligibility is involved and how the information given or withheld affects eligibility or Medicaid Income.
- What the client said about the factor in question and the date on which the information was given, whether the client gave statements on the DOM-300 or made them verbally to the worker; and the reason the client gave for withholding or falsifying the information.
- The date on which and the circumstances under which the worker learned of the correct information; that is, who gave difference statements, when, and why, or in what way the worker discovered the suspected fraud and the facts.
- What additional steps the worker has taken to secure more or more correct information. For example, bank clearances, checking of property records, interviews with persons in a position to know the facts or involved with the client in the matter, etc.
- Why the worker considered the withholding of giving of incorrect information willfully; that is, whether the client was able to understand his responsibility for giving full and accurate statements and the meaning of his failure to do so.
- Whether the client or client and spouse have resources from which they might repay the amounts improperly received.

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- If a transfer of resources is involved, DOM-322 must be issued and an opportunity for rebuttal offered prior to issuing an improper payment. Delay the preparation of DOM-354 until after the rebuttal period is over.
- Delay the preparation of DOM-354 until all appeals have been exhausted and a final decision on the factor of ineligibility, etc. has been determined.

**1. Handling
of DOM-354
By Eligibility
Division**

Upon receipt of the improper payment report, the staff of the Medicaid Eligibility Division will:

- Review the report from the Regional Office to ensure that it is complete and that the Regional Office has properly applied policy. This may involve further clearance with the Regional Office.
- Enter the initial information on the periods of ineligibility or improper amount of Medicaid Income on Form-355, This form is referred to the Program Integrity Division for entry of amount of benefits erroneously received.
- Prepare a memorandum to the Program Integrity Division setting out the facts in the case. The memorandum is transmitted to the Program Integrity Division along with a copy of the Regional Office DOM-354 report as appropriate.

**2. Handling
of DOM-354
By Program
Integrity**

The Program Integrity Division upon receipt of the material from the Medicaid Eligibility Division will assign the case to a Medicaid Auditor/Investigator for investigation in order to obtain documentation of the information bearing on the factor of ineligibility and the circumstances surrounding the fraudulent receipt of Medicaid services, or the collection of additional information when indicated.

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The investigation into the improper payment may be handled by way of a letter requesting repayment, an in-person interview with the client or a referral to the county or district attorney, or a combination of all three, in order to obtain repayment of the benefits improperly paid by Medicaid.

**3. Claims
Against
Estates**

When the Regional Office determines that a recipient has received benefits for which he was not eligible and the recipient is deceased, the case should be reported immediately to the Medicaid Eligibility Division. If the case has already been reported and the Regional Office learns of the death of the person, this fact should be reported immediately.